

F. #2018R00740

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- against -

TANEISHA RUSSELL,

Defendant.

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EASTERN DISTRICT OF NEW YORK, SS:

Heather Shand, being duly sworn, deposes and states that she is a Special Agent with the United States Department of Veterans Affairs, Office of Inspector General, duly appointed according to law and acting as such.

In or about and between February 2016 and June 2016, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant TANEISHA RUSSELL, and others, did knowingly and intentionally conspire to devise a scheme and artifice to defraud the United States Department of Veterans Affairs and individual beneficiaries to obtain money and property from the United States Department of Veterans Affairs, by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted, by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343.

(Title 18, United States Code, Section 1349 and 3551 et seq.)

FILED UNDER SEAL

**COMPLAINT AND AFFIDAVIT
IN SUPPORT OF APPLICATION
FOR AN ARREST WARRANT**

(18 U.S.C. § 1349)

No. 18-1032-M

The source of your deponent's information and the grounds for her belief are as follows:¹

1. I am a Special Agent with the United States Department of Veterans Affairs, Office of Inspector General and have been involved in the investigation of numerous cases involving wire fraud, identity theft and money laundering. I am familiar with the facts and circumstances set forth below from my participation in the investigation; my review of the investigative file, including the defendant's criminal history record; and from reports of other law enforcement officers involved in the investigation.

INTRODUCTION

At all times relevant to this Complaint, unless otherwise indicated:

2. The United States Department of Veterans Affairs ("VA") issued veteran disability benefits to United States Armed Forces veterans and/or their beneficiaries (the "VA Beneficiaries"). The VA directed the United States Treasury to deposit the benefits into bank accounts designated by the VA Beneficiaries on a monthly basis. An individual could change the designated bank account receiving the benefits by using the VA's online benefits management system, otherwise known as "eBenefits," as long as the individual correctly answered a series of "challenge" questions, including, for example, providing personal identifying information ("PII"), such as dates of birth and social security numbers.

¹ Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware.

3. Since 2014, the Office of Inspector General of the VA, the Department of Homeland Security, Homeland Security Investigations (“HSI”), and the Department of the Treasury, Office of Inspector General have been jointly investigating a criminal organization (the “Organization”) that is targeting VA Beneficiaries. Based on the investigation, there is reason to believe that the defendant TANEISHA RUSSELL and other unknown individuals within the Organization obtained the PII of the VA Beneficiaries. Once in possession of the PII, members of the Organization used the PII to access the VA’s eBenefits system, impersonated the VA Beneficiaries and redirected veterans’ benefits into bank accounts and prepaid debit cards controlled by the Organization. Thus, instead of benefits being sent to VA Beneficiaries, the benefits were fraudulently redirected to members of the Organization.

4. The defendant TANEISHA RUSSELL and her co-conspirators within the Organization obtained the PII of the victims, including, among other information, names, social security numbers, dates of birth, and branch of military service. The co-conspirators, armed with this PII, then accessed the eBenefits system and pretended to be veterans by entering PII of VA Beneficiaries. The eBenefits system logs account access by IP address, time, and date. After accessing the eBenefits system, the co-conspirators changed the designated bank account receiving the benefits by direct deposit, and provided the VA with routing numbers and account numbers of accounts that the Organization controlled, including prepaid cards, such as those serviced by Netspend.²

² Netspend was a provider of reloadable prepaid cards and related financial services in the United States. Netspend served consumers who do not have a traditional bank account or who rely on alternative financial services. Netspend had a nationwide network of more than 70,000 distribution locations and 130,000 reload points, where consumers could buy and reload Netspend prepaid cards at neighborhood retailers, check cashers, convenience stores, grocers, pharmacies, insurance providers and tax preparers.

5. After the co-conspirators rerouted the benefit deposits, the defendant TANEISHA RUSSELL or other co-conspirators withdrew the funds at banks, ATM machines, and retail stores.

6. John Does #1 through #6 are VA Beneficiaries³ who received monthly VA benefits by direct deposit.

JOHN DOE #1

7. On or about February 29, 2016, an unknown co-conspirator opened an account with an account number ending in 1365 with Bank of the Internet (the “1365 Account”), and a Netspend prepaid debit card linked to the 1365 Account was issued in the name of John Doe #1 as the “Primary User” (“Netspend Card #1”) and sent to an address in Brooklyn, NY (the “Brooklyn Address”). Netspend Card #1 was activated on or about March 9, 2016.

8. VA records show that on or about March 18, 2016, an unknown co-conspirator, using the PII of John Doe #1, accessed eBenefits and changed the account settings so that John Doe #1’s VA benefits would be directly deposited into the 1365 Account.

9. VA and Netspend records show that on or about March 28, 2016, the VA benefits of John Doe #1 of \$1,404.00 were deposited into the 1365 Account.

10. Netspend records show that on or about March 28, 2016, three cash withdrawals of \$303.00 each were conducted at a Chase Bank located at 391 Eastern Parkway, Brooklyn, New York between approximately 9:26 to 9:27 p.m. Central Standard Time

³ The name “John Doe” is generically used to refer to male or female VA Beneficiaries.

(“CST”), using Netspend Card #1.

11. Netspend records show that on or about March 29, 2016, a cash withdrawal of \$303.00 and a cash withdrawal of \$173.00 were conducted at a Chase Bank located at 1764 Rockaway Parkway, Brooklyn, New York between approximately 9:52 to 9:54 a.m. CST, using Netspend Card #1.

12. On or about April 1, 2016, John Doe #1 contacted the VA and stated that he did not authorize anyone to change his direct deposit information for his VA benefits.

JOHN DOE #2

13. On or about April 7, 2016, a Netspend prepaid debit card linked to the 1365 Account was issued in the name of John Doe #2 as a “Secondary User” (“Netspend Card #2”)⁴ and sent to an address in Hawthorne, California (the “Hawthorne Address”), which law enforcement agents determined was the residence of the defendant TANEISHA RUSSELL. Netspend Card #2 was activated on or about April 20, 2016.

14. VA records show that on or about April 18, 2016, an unknown co-conspirator, using the PII of John Doe #2, accessed eBenefits and changed the account settings so that John Doe #2’s VA benefits would be directly deposited into the 1365 Account.

15. VA and Netspend records show that on or about April 25, 2016, the VA benefits of John Doe #2 of \$1,839.48 were deposited into the 1365 Account.

16. Netspend records show that on or about April 25, 2016, a cash withdrawal of \$323.00 was conducted at a Bank of America located at 4103 South Western

⁴ Netspend Card #2 can be used to access the same bank account as Netspend Card #1.

Avenue, Los Angeles, California at approximately 5:55 p.m. Central Standard Time, using Netspend Card #2. Two more cash withdrawals were conducted on the same date for \$263.00 and \$323.00 at a Bank of America located at Crenshaw Boulevard and Imperial Highway in Inglewood, California between 6:46 to 6:47 p.m. CST, using Netspend Card #2.

17. Based on a comparison of the ATM surveillance video stills obtained from the above-described cash withdrawals made in Inglewood, California and the defendant TANEISHA RUSSELL's California driver's license photograph, I have confirmed that at least two of the April 25, 2016 withdrawals were conducted by RUSSELL.

18. On or about April 19, 2016, John Doe #2 contacted the VA and stated that he did not authorize anyone to change his direct deposit information for his VA benefits.

JOHN DOE #3

19. On or about March 8, 2016, an unknown co-conspirator opened an account with an account number ending in 6894 with Bank of the Internet (the "6894 Account"), and a Netspend prepaid debit card linked to the 6894 Account was issued in the name of John Doe #3 as the "Primary User" ("Netspend Card #3") and sent to the Hawthorne Address. Netspend Card #3 was activated on or about March 18, 2016.

20. VA records show that on or about March 21, 2016, an unknown co-conspirator, using the PII of John Doe #3, accessed eBenefits and changed the account settings so that John Doe #3's VA benefits would be directly deposited into the 6894 Account.

21. VA and Netspend records show that on or about March 28, 2016, the VA benefits of John Doe #3 of \$802.43 were deposited into the 6894 Account.

22. Netspend records show that on or about March 28, 2016, two cash withdrawals of \$323.00 each and one cash withdrawal of \$143.00 were conducted at a Bank

of America located at 12547 Hawthorne Boulevard, Hawthorne, California, between approximately 2:17 to 2:22 p.m. CST, using Netspend Card #3.

23. Based on a comparison of the ATM surveillance video stills obtained from the above-described cash withdrawals made in Hawthorne, California and the defendant TANEISHA RUSSELL's California driver's license photograph, I have confirmed that the March 28, 2016 withdrawals were conducted by RUSSELL.

24. On or about March 29, 2016, John Doe #3 contacted the VA and stated that he did not authorize anyone to change his direct deposit information for his VA benefits.

JOHN DOE #4

25. On or about April 14, 2016, a Netspend prepaid debit card linked to the 6894 Account was issued in the name of John Doe #4 as a "Secondary User" ("Netspend Card #4")⁵ and sent to the Brooklyn Address. Netspend Card #4 was activated on or about April 23, 2016.

26. VA records show that on or about April 18, 2016, an unknown co-conspirator, using the PII of John Doe #4, accessed eBenefits and changed the account settings so that John Doe #4's VA benefits would be directly deposited into the 6894 Account.

27. VA and Netspend records show that on or about April 25, 2016, the VA benefits of John Doe #4 of \$1,059.09 were deposited into the 6894 Account.

28. Netspend records show that on or about April 25, 2016, two cash withdrawals of \$323.00 each were conducted at a Chase Bank located at 28 Liberty Street,

⁵ Netspend Card #4 can be used to access the same bank account as Netspend Card #3.

New York, New York between approximately 2:20 to 2:21 p.m. CST, using Netspend Card #4. A third transaction was conducted on the same date for \$201.75, at the Franklin Mini Market located at 690 Franklin Avenue, Brooklyn, New York at approximately 2:52 p.m. CST, using Netspend Card #4.

29. On or about May 23, 2016, John Doe #4 contacted the VA and stated that he did not authorize anyone to change his direct deposit information for his VA benefits.

JOHN DOE #5

30. On or about April 7, 2016, an unknown co-conspirator opened an account with an account number ending in 9854 with Bank of the Internet (the "9854 Account"), and a Netspend prepaid debit card linked to the 9854 Account was issued in the name of John Doe #5 as the "Primary User" ("Netspend Card #5") and sent to the Hawthorne Address. Netspend Card #5 was activated on or about April 18, 2016.

31. VA records show that on or about April 18, 2016, an unknown co-conspirator, using the PII of John Doe #5 accessed eBenefits and changed the account settings so that John Doe #5's VA benefits would be directly deposited into the 9854 Account.

32. VA and Netspend records show that on or about April 22, 2016, the VA benefits of John Doe #5 of \$3,524.22 were deposited into the 9854 Account and that on or about April 25, 2016, additional VA benefits of John Doe #5 of \$1,840.48 were deposited into the 9854 Account.

33. Netspend records show that on or about April 25, 2016, two cash withdrawals of \$323.00 and \$263.00 were conducted at a Bank of America located at 4103 South Western Avenue, Los Angeles, California, between approximately 5:56 to 5:57 p.m.

CST, using Netspend Card #5.⁶ A third cash withdrawal was conducted on the same date for \$323.00 at a Bank of America located at 8701 South Western Avenue, Los Angeles, California, at 6:20 p.m. CST, using Netspend Card #5.

34. Based on a comparison of the ATM surveillance video stills obtained from the above-described cash withdrawal made at the Bank of America at 8701 South Western Avenue, Los Angeles, California and the defendant TANEISHA RUSSELL's California driver's license photograph, I have confirmed that at least one of the April 25, 2016 withdrawals was conducted by RUSSELL.

35. On or about April 28, 2016, John Doe #5 contacted the VA and stated that he did not authorize anyone to change his direct deposit information for his VA benefits, nor did he open, use or possess Netspend Card #5.

JOHN DOE #6

36. On or about May 10, 2016, an unknown co-conspirator opened an account with an account number ending in 9731 with Bank of the Internet (the "9731 Account"), and a Netspend prepaid debit card linked to the 9731 Account was issued in the name of John Doe #6 as the "Primary User" ("Netspend Card #6") and sent to the Hawthorne Address. Netspend Card #6 was activated on or about June 17, 2016.

37. VA records show that on or about June 20, 2016, an unknown co-conspirator, using the PII of John Doe #6 accessed eBenefits and changed the account settings so that John Doe #6's VA benefits would be directly deposited into the 9731 Account.

⁶ These two withdrawals were made at the same location and approximate time as the withdrawals from the 1365 Account using Netspend Card #2 described above in paragraph 16.

38. VA and Netspend records show that on or about June 27, 2016, the VA benefits of John Doe #6 of \$703.89 were deposited into the 9731 Account.

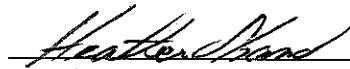
39. Netspend records show that on or about June 27, 2016, two cash withdrawals of \$303.00 each were conducted at a Bank of America located at 12547 Hawthorne Boulevard, Hawthorne, California between approximately 7:04 to 7:05 p.m. CST, using Netspend Card #6. A third cash withdrawal was conducted on the same date for \$83.00 at a Chase Bank located at 12645 Hawthorne Boulevard, Hawthorne, California at approximately 7:12 p.m. CST, using Netspend Card #6.

40. On or about July 1, 2016, John Doe #6 contacted the VA and stated that he did not authorize anyone to change his direct deposit information for his VA benefits.

REQUEST FOR SEALING

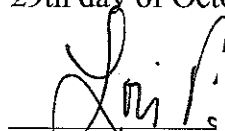
41. I request that the Court issue an order sealing, until further order of the Court, all papers submitted in support of this application, including the affidavit and arrest warrant. Based upon my training and experience, I have learned that criminals actively search for criminal affidavits and arrest warrants via the internet. Therefore, premature disclosure of the contents of this affidavit and related documents could seriously jeopardize the investigation by giving the defendant an opportunity to flee from prosecution or destroy evidence or continue to tamper with witnesses.

WHEREFORE, your deponent respectfully requests that the defendant
TANEISHA RUSSELL, be dealt with according to law.



Heather Shand
Special Agent
United States Department of Veterans Affairs
Office of Inspector General

Sworn to before me this
29th day of October, 2018



THE HONORABLE S/ Lois Bloom
UNITED STATES
EASTERN DISTRICT OF MICHIGAN
